

Message Text

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INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00 SP-02

AID-05 EB-04 NSC-05 RSC-01 CIEP-01 SS-20 STR-01

OMB-01 CEA-01 CIAE-00 COME-00 FRB-01 INR-05 NSAE-00

XMB-02 OPIC-06 LAB-01 SIL-01 L-01 H-01 PA-01 PRS-01

AF-04 ARA-06 EA-06 EUR-08 NEA-06 /092 R

DRAFTED BY TREAS:EJFINKEL

APPROVED BY EB/IFD/ODF:REBENEDICK

AA/PPC:PBIRNBAUM

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FM SECSTATE WASHDC

TO ALL DIPLOMATIC POSTS IMMEDIATE

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E.O. 11652: N/A

TAGS:

SUBJECT: CREATION OF DEVELOPMENT COMMITTEE AT IMF/IBRD
ANNUAL MEETING

REF: STATE 195053 NOTAL

MANILA PASS USADB

1. GOVERNORS OF THE IMF AND IBRD APPROVED PARALLEL
RESOLUTIONS OCT. 2 DURING IMF/IBRD ANNUAL MEETINGS IN
WASHINGTON CREATING "JOINT MINISTERIAL COMMITTEE OF THE
BOARDS OF GOVERNORS OF THE BANK AND FUND ON THE TRANSFER
OF REAL RESOURCES TO DEVELOPING COUNTRIES." GROUP TO BE
KNOWN AS DEVELOPMENT COMMITTEE AND CONFORMS IN MAJOR
RESPECTS TO BODY WHICH WAS SUBJECT OF SECRETARY SIMON
LETTERS CONTAINED IN REFTEL.

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2. DEVELOPMENT COMMITTEE CONSISTS OF ONE MINISTERIAL REPRESENTATIVE AND SEVEN ASSOCIATES FROM EACH OF THE TWENTY CONSTITUENCIES APPOINTING OR ELECTING IBRD OR IMF EXECUTIVE DIRECTORS. BASIS IS IBRD DIRECTOR CONSTITUENCIES FOR FIRST TWO YEARS, IMF CONSTITUENCIES NEXT TWO AND ALTERNATING THEREAFTER. COMMITTEE IS TO HAVE ITS OWN FULL TIME EXECUTIVE SECRETARY WITH SMALL STAFF (INITIALLY ABOUT FIVE PROFESSIONALS) RESPONSIBLE TO HIM. EXECUTIVE SECRE-

TARY WILL ALSO DRAW ON STAFFS OF IMF AND IBRD TO MAXIMUM EXTENT FEASIBLE. ADMINISTRATIVE COSTS ARE TO BE BORNE EQUALLY BY THE IMF AND IBRD.

3. COMMITTEE HELD FIRST MEETING AFTERNOON OCTOBER 2. ALTHOUGH PREVIOUS CONSULTATIONS INDICATED WIDE DIVERGENCE OF OPINION RE CHAIRMANSHIP, FRANCE OPENED CHAIRMANSHIP DISCUSSION BY IMMEDIATELY NOMINATING HENRI KONAN BEDIE, IVORY COAST FINANCE MINISTER, WHO WAS THEN ELECTED WITHOUT OPPOSING NOMINATIONS. NOMINATIONS PUT FORWARD FOR EXECUTIVE SECRETARY AS FOLLOWS:

M.G. KAUL (INDIA, N.M AHMAD (PAKISTAN, WITH SUPPORT OF KUWAIT AND SAUDI ARABIA), CARLOS MASSAD (CHILE ON BEHALF OF LATIN GROUP), HENRY J. COSTANZO (U.S.). LDC'S UNABLE TO REACH CONSENSUS AMONG THEMSELVES AND ISSUE WAS PUT OVER TO MEETING AFTERNOON OCTOBER 3. COSTANZO THEREUPON ELECTED. FYI, CONSTANZO ELECTED WITH ELEVEN OF NINETEEN VOTES, ONE ABSENTION. RESULT FACILITATED BY INFORMAL UNDERSTANDING AHMAD WOULD BE SELECTED BY CONSTANZO AS DEPTUY EXECUTIVE SECRETARY. END FYI.

4. CONSTANZO IS FORMER U.S. TREASURY OFFICIAL WHO WAS U.S. EXECUTIVE DIRECTOR OF INTER-AMERICAN BANK 1969-71 AND EXECUTIVE VICE PRESIDENT OF IDB ITSELF (INTERNATIONAL POSITION) 1972- TO DATE. PRIOR EXPERIENCE ALSO INCLUDES U.S. AID MISSION DIRECTOR KOREA 1967-69, AND IMF STAFF PRIOR TO 1963. FYI: FOR LATIN AMERICAN POSTS. IDB PRESIDENT ORTIZ MENA INTENDS, WITH U.S. SUPPORT, TO NOMINATE REUBEN STERNFELD, FORMER U.S. ALTERNATE EXECUTIVE DIRECTOR OF IDB, TO SUCCEED COSTANZO AS EXECUTIVE LIMITED OFFICIAL USE

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VICE PRESIDENT. END FYI.

5. COMMITTEE AGREED TO INVITE LIMITED GROUP OF HEADS OF OTHER INTERNATIONAL BODIES TO PARTICIPATE IN ITS NEXT MEETING, AND SET UP THREE-COUNTRY COMMITTEE (U.S., FRANCE, PHILIPPINES) TO CONSIDER POSSIBLE ADDITIONS TO LIST. INITIAL LIST INCLUDES REPRESENTATIVES OF UNCTAD, OECD, GATT AND THREE MAJOR REGIONAL DEVELOPMENT BANKS.

6. MANDATE OF COMMITTEE IS TO MAINTAIN OVERVIEW OF DEVELOPMENT PROCESS, ADVISE AND REPORT ON ALL ASPECTS OF BROAD QUESTIONS OF TRANSFER OF REAL RESOURCES TO DEVELOPING COUNTRIES, AND MAKE SUGGESTIONS FOR CONSIDERATION BY THOSE CONCERNED REGARDING IMPLEMENTATION OF ITS CONCLUSION. WORK PROGRAM ADOPTED AT OCTOBER 2 SESSION CONSISTED OF:

A. ANALYSIS OF CAPITAL FLOWS TO MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES.

B. ANALYSIS OF MEASURES TAKEN OR WORTHY OF CONSIDERATION BY MULTILATERAL AGENCIES AND DONOR AND RECIPIENT GOVERNMENTS TO ADJUST POLICIES AND PRIORITIES TO NEW OUTLOOK FOR WORLD COMMODITY PRICES.

C. PREPARATION OF WORK PROGRAM FOR 1975 TO BE CONSIDERED AS NEXT MEETING.

7. COMMITTEE DECIDED TO HOLD NEXT MEETING FRIDAY, JANUARY 17 IN WASHINGTON, BACK-TO-BACK WITH IMF INTERIM COMMITTEE MEETING.

8. POSTS ENCOURAGED TO PROVIDE REPORTING ON HOST GOVERNMENT COMMENTS REGARDING DEVELOPMENT COMMITTEE AFTER RETURN OF IMF/IBRD DELEGATIONS FROM WASHINGTON MEETING. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETINGS, FINANCIAL COOPERATIVES, ORGANIZATION & MANAGEMENT, COMMITTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 11 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE225316
Document Source: CORE
Document Unique ID: 00
Drafter: EJFINKEL
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740290-0658
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741051/aaaabrhv.tel
Line Count: 143
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 195053 NOTAL
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2002 by shawdg>; APPROVED <13 MAR 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CREATION OF DEVELOPMENT COMMITTEE AT IMF/IBRD ANNUAL MEETING
TAGS: EFIN, OCON, IBRD, IMF
To: ALL POSTS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005